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## DISASTER SITUATIONS: COMMON SCAMS AND HOW TO AVOID THEM

**N**atural disasters result in consumers needing work done quickly in order to repair damage to their home and property. Unfortunately, natural disasters create a fertile environment for fraud. Here are some scams you might see and some tips on how to protect yourself:

### ✗ **Shoddy Construction and Repair--**

Transient contractors and fly-by-night repairmen are drawn to disaster areas and may provide shoddy service.

✓ **Tip--**The easiest way to avoid being scammed by disreputable contractors is to deal with local or area businesses. If you do not have first hand knowledge or a reference you trust, contact the Consumer Protection Division and the Better Business Bureau to see if there is any information available on the business. Ask if the contractor is bonded and carries insurance. Also check to determine if the contractor is registered in your county, if there is a registration requirement.

✗ **Contracts--**The contractor does not offer you a written contract.

✓ **Tip--**Demand a written contract. If possible, get estimates from several contractors of the work to be done. Make sure it includes all the supplies that will be used and the cost, a description of the

work to be done and the cost to do it. Do not be pressured into signing a contract until you have received several estimates.

✗ **Pre-payments--**Dishonest contractors may ask you to pay up front for the total amount of work to be done and then never return to even start your repair project.

✓ **Tip--**Try to limit the amount of progress payments to no more than the value of the work already finished. Never sign a completion of work statement before the job is completed to your satisfaction and officially inspected by the appropriate government agency.

✗ **Price Gouging--**Unscrupulous individuals may charge unreasonably high prices for products in short supply like building materials, sump pumps, or generators.

✓ **Tip--**If possible, get more than one estimate. If you think someone is deliberately gouging you on the price of an item or service, let the business know that neither you, your neighbors, nor your family will patronize the business in the future. Report it to the Consumer Protection Division.

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## MORE SCAMS

▲ **Advance Fee Loan and Grant Scams--**Phony lending companies and phony loan brokers may offer “guaranteed” loans or grants for a fee you pay in advance.

**Tip--**“Guaranteed” loans or grants almost never materialize. Deal with local lending institutions if possible. Someone assisting you in obtaining a mortgage loan must be licensed by the Kentucky Office of Financial Institutions. If the loan does not include a mortgage, the person assisting you generally cannot charge any fee in advance. Also check for state and federal assistance. Beware of anyone offering grant money to assist in repairs. Check them out first.

▲ **Charity Scams--**Scam artists know citizens want to help others. They may set up phony charities to collect money or fraudulently misrepresent themselves as working for a legitimate charity.

**Tip--**Check with the Attorney General’s Office and the Better Business Bureau to see if they have any record of the charity. Send contributions, preferably by check, directly to established charities or verify with the charity the identity of anybody collecting money.

▲ **Impersonating Officials--**Con artists may pose as building inspectors and order immediate repairs which they can do on the side. They may also pose as government officials and demand a fee for processing emergency loan documents.

**Tip--**Ask to see identification for anyone representing themselves as a government official. Phone the government agency to verify the identity if there is any payment

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of money involved.

## Who to Contact

### CONTACT THESE AGENCIES



There are several governmental and non-governmental agencies you can contact for additional information or assistance:

- Call the **Consumer Protection Division** at **(502) 696-5389** or **1-888-432-9257** to report scams or for information on businesses.
- The **Better Business Bureau** may be able to provide information about the history of a company or whether a particular charity meets certain voluntary guidelines:  
  
**Louisville: (800) 388-2222 or (502) 583-6546**  
  
**Lexington: (800) 866-6668 or (859) 259-1008**
- Call **local law enforcement** to report suspicious vehicles or persons in damaged neighborhoods offering home repair or other services. Make note of license plate numbers and vehicle descriptions.

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## For Disaster and Emergency Services

For information about other emergency services, contact your local Mayor or County Judge Executive or the office of Disaster and Emergency Services (DES) in your county.

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## FILING A COMPLAINT

If you would like to file a complaint with the Attorney General's Office, write:

**Office of the Attorney General  
Consumer Protection Division  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601**

Written complaints should include:

- your name, address, and phone number;
- name, address, and phone number of the business;
- a description of your complaint;
- and, copies of all contracts, sales slips, and other documents.

**Website: [www.ag.ky.gov](http://www.ag.ky.gov)**

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# BEWARE OF DISASTER SCAMS

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*Tips to Avoid Being Ripped-Off*